

## **REMARKS**

Claims 1-26 are pending. Claims 1, 2, 5-12, 14, 16, 20-23 and 25 are rejected. Claims 3, 4, 13, 15, 17-19, 24 and 26 are objected to. Claims 1-26 remain in the case for reconsideration. Reconsideration is requested. No new subject matter has been added.

### ***Allowable Subject Matter***

Claims 3, 4, 13, 15, 17-19, 24 and 26 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

These claims have been rewritten in independent form. However, some of the limitations of the independent claim and intervening claims have not been added to the objected to claims since the limitations in the objected to dependant claim are sufficient to place the claim in condition for allowance.

### ***Claim Rejections – 35 U.S.C. § 103***

Claims 1, 2, 5-12, 14, 16, 20-23, and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Fitzgerald (US 6,421,720) in view of Kerr (US 5,844,600).


The rejected independent claims have been amended to specify increasing an amount the audio signal that the encoder encodes into the audio packets when the available utilization capacity indicates high utilization for the interface buffer or high utilization of the processor. This limitation has already been indicated as allowable in claim 18. This is also described in the specification at page 6, lines 9-13.

For this reason claims 1, 2, 5-12, 14, 16, 20-23, and 25 are allowable under 35 U.S.C. 103(a) over Fitzgerald (US 6,421,720) in view of Kerr (US 5,844,600).

**CONCLUSION**

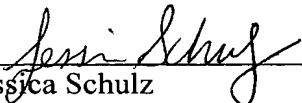
For the foregoing reasons, reconsideration and allowance of claims 1-26 of the application as amended is solicited. The Examiner is encouraged to telephone the undersigned at (503) 222-3613 if it appears that an interview would be helpful in advancing the case.

Respectfully submitted,

  
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